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ABSTRACT

Wisconsin's welfare reform program, which is called Wisconsin Works or W-2, emphasizes work over education. Wisconsin's welfare reform policy caused the numbers of Wisconsin welfare recipients attending college to shrink by thousands in the mid-1990s. In contrast, increasing numbers of states are coming to realize how much flexibility they really have under the Temporary Assistance to Needy Families (TANF) legislation and have begun allowing.welfare recipients greater access to postsecondary and vocational education opportunities. Wisconsin is experiencing a severe shortage of skilled workers, and new jobs being created increasingly require levels of education and skill not possessed by the pool of available workers. Current W-2 policies are not helping the situation because they do not facilitate expansion of the skilled workforce. With only a small fraction of Wisconsin's former welfare caseload left in W-2, the program's population consists of participants with major, multiple obstacles to self-sufficiency. Research has repeatedly shown that the most effective welfare-to-work programs are those with a flexible, individualized approach that mixes job search, education, job training, and work in support of a specific employment goal. By altering W-2 to incorporate this approach, Wisconsin policymakers can help ensure welfare recipients' long-term labor market success and simultaneously address the state's need for more skilled workers. (MN)

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A PUBLICATION OF THE WISCONSIN COUNCIL ON CHILDREN & FAMILIES

WORKING & POOR

I · N W · I · S · C · O · N · S · I · N

ISSUE THREE JANUARY 2000

Postsecondary Education:

Wisconsin Tells Parents in Poverty: "You Don't Need No Book Larnin'"

Long before welfare was considered something that needed reformation, before public assistance became a privilege rather than a right, and before it was assumed that almost anybody could get a job if you simply threatened to cut off their assistance, there were people who lacked job skills and there were programs designed to help them get those skills. Some people completed the programs, got jobs, and stayed off welfare. Others, many of whom had major employment barriers that kept them out of the workforce, including learning disabilities, mental health issues, drug or alcohol problems, no transportation, inadequate childcare, and children with special needs, did not. Still others were able to subsist on AFDC while they completed college or vocational programs. Because of parenting responsibilities and other obstacles, getting a degree or certificate sometimes took quite a while.

Things have changed dramatically in the last few years. Welfare has become workfare, and is no longer an entitlement. Participants now face lifetime limits on how long they can receive assistance. Education and training now take a distant back seat to "work first" approaches that emphasize job search and soft skills at the expense of substantial training opportunities that can lead to a family-sustaining career.

The result has been a precipitous decline in welfare caseloads nationwide, with Wisconsin's W-2 program leading the way. But while people are leaving welfare in unprecedented numbers, families continue to struggle; their incomes remain low and their prospects for true self-sufficiency remain remote. With the loss of entitlements have come highly discretionary programs in which eligible applicants may be denied help. The strong economy has enabled many former welfare recipients to get jobs, but without adequate skills and access to education and training, most of them have merely gone from being just plain poor to being "working and poor."

Current policy in Wisconsin makes the pursuit of a college or vocational degree impractical for the vast majority of W-2 participants and other low-income parents. This paper focuses on the importance of restoring their access to postsecondary education.

The Welfare Rulebook

Wisconsin Works, better known as W-2, is the state's welfare reform program, launched in 1997 as the replacement to AFDC under the new federal block grant program called Temporary Assistance to Needy Families (TANF). The new federal program places much more emphasis on work over education than was the case under AFDC. Wisconsin has taken that direction to heart, and was in fact well ahead of the pack in implementing the sorts of changes TANF mandated. Our system's "work first" orientation is perhaps the most extreme in the nation.

Warning: The following paragraphs contain boring federal and state rules. Reader discretion is advised.

To avoid financial penalties, states must place an increasing proportion of their caseload in work activities each year; in addition, the number of hours a parent must be in that activity in order to count increases each year. "Vocational educational training" can count as a work

(continued inside)

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Three Facts about the Current Employment Situation in Wisconsin:

FACT ONE:

There are not enough skilled workers to go around.

FACT TWO:

Current W-2 policies do not facilitate expansion of the skilled workforce.

FACT THREE:

New jobs being created increasingly require a level of education and skill that the pool of available workers does not possess, thus increasing the likelihood that FACT ONE will persist and making FACT TWO appear even more foolish.

activity, but only for 12 months, and only 30% of those TANF recipients that a state counts as engaged in work activities can be in voc. ed. training. "Job skills training" and "education directly related to employment" can count as work activities, but not toward the first 20 hours of participation. Nonvocational postsecondary education is not an approved activity under TANF, but students can still be counted if they are also putting in enough hours at other activities. Also, a state that has enough people in approved work activities can allow others to participate in postsecondary education as a stand-alone activity.

By now, federal work activity quotas are nearly irrelevant in Wisconsin. Because of caseload reduction credits built into the rules, W-2 could probably satisfy TANF work participation guidelines without requiring a single person to engage in a work activity (at least for single-parent families; the required rates for two-parent families are higher).

Current W-2 rules, and the way they are implemented at the local level, severely limit the amount of time participants can spend in education and training activities. The employability plan for a W-2 participant in a community service job (CSJ) can include a maximum of 10 hours of education and training per week. At the same time, they must participate in other work activities for up to 30 hours per week. The caseworker gets to decide whether technical college or other postsecondary education is an appropriate part of that education and training component. W-2 Transitional placement (or W-2T, the tier for people with the most severe barriers to employment) allows two additional hours of training and two fewer maximum hours of work activities. A new provision makes some W-2 participants eligible to enroll in a full-time technical college program for up to two years, *at the discretion of their caseworker*, provided they are also assigned 25 hours of additional work activities per week and satisfy certain other restrictions.

The reality of W-2 is that people get only as much education and training as it takes to get a job offer, any offer. Attending college or vocational school is considered a frill. The number of welfare recipients attending college in Wisconsin shrank by thousands during the mid-1990s, and welfare reform had a lot to do with it. While a couple of small changes have been made - for example, the opportunity for a few extra hours of technical college, and the elimination of the nine-month work history requirement in order to receive subsidized childcare to attend school - W-2 remains fundamentally hostile toward education. Given the demands of work activities, parenting and schoolwork, very few participants are able to make the kind of time commitment necessary to pursue higher education properly.

Other States See the Light

While TANF cast an unequivocal "go to work" light on the national welfare scene, not all states have responded with equal gusto. At least two states, Wyoming and Maine, developed policies early on that reject this minimalist approach to educating welfare recipients. Wyoming's welfare program, Personal Opportunities With Employment Responsibilities (POWER), has a component called State Adult Student Financial Aid (SASFA), which allows recipients to participate in full-time educational activities leading toward a Bachelor's degree or vocational education certificate. In order to qualify, an adult must: (1) complete an assessment to determine that they can benefit from the program; (2) have been a state resident for two years or have graduated from a Wyoming high school; (3) have been employed at least 32 hours per week for 10 of the last 16 weeks; and (4) be a single parent. The participant must stay enrolled full-time and maintain a "C" average.

Maine's TANF program is called Additional Support for People in Retraining and Employment (ASPIRE). Those eligible for ASPIRE may also qualify for a separate program called Parents as Scholars (PaS). Under PaS, a person can participate in a full-time program leading to a Bachelor's degree or a vocational education certificate if they: (1) do not possess the skills needed to get a job that will enable them to support a family at 85% of the median state income; (2) the program will significantly improve the family's chances of achieving self-sufficiency; and (3) the person has the aptitude to complete the program. PaS participants may stay in the program for two years and must maintain a 2.0 average. Support services such as childcare and transportation are also available.

As more states have come to realize how much flexibility they really have, several others

have changed their policies to allow TANF recipients greater access to postsecondary and vocational education opportunities. Alaska, Arizona, Florida and Nevada allow postsecondary education to count as a work activity for 12 months *without any additional work requirements*. Kentucky has increased the amount of time that recipients can spend in postsecondary education as their work requirement - again, without any additional work requirements — from 12 to 24 months. Michigan, Maine and Missouri also count study time toward the state's work requirement. Michigan's program now allows students to meet the state's 30-hour work requirement on a 10/10/10 basis: ten hours of classroom, ten hours of study time, and ten hours of work activities. Illinois and North Carolina will temporarily stop the TANF time clock for participants enrolled full-time in postsecondary education. (Center on Budget and Policy Priorities/Center for Law and Social Policy, 1999)

It's a Seller's Market, But You Gotta Have the Goods

Today in Wisconsin, there is a severe shortage of skilled workers. Governor Tommy Thompson has on several occasions recommended that high school guidance counselors steer otherwise university-bound graduates toward technical college and vocational school, to be molded into productive machinists rather than parasitic philosopher/cabbies. W-2 participants, on the other hand, are by policy diverted away from such vocational training. They are instead sent out to labor in low-paying retail positions and other service jobs.

Desperate as employers may be for qualified help, they cannot hire just anybody. A certain level of proficiency is required. A recent survey by the Wisconsin Department of Workforce Development (DWD) indicated that of those employers who expected to hire technical employees in the next 12 months, over 90% want the employee to possess either a technical degree or a certificate. In return, many of those jobs offer a living wage that allows a family to thrive. Unfortunately, those are not the jobs most welfare leavers are getting. Too many are landing in low-paying, dead-end positions, where they are acquiring few, if any, additional skills of the sort that would help them advance into better-paying slots.

With only a small fraction of Wisconsin's former welfare caseload left in W-2, the program's current population consists primarily of those participants with major, multiple obstacles to self-sufficiency. One of the biggest obstacles is a lack of basic reading and math skills. But basic education alone does not seem to help much. Only in tandem with, and as a basis for, concrete vocational learning does it really start to pay off (Heinrich, 1999). Programs that focus only on job search and basic skills rarely afford participants the chance to upgrade their skills. Once in the workforce, they are generally left to flounder at the bottom of the job pool. Job training in the classroom as well as the workplace must be accessible to people with low basic skills in order to produce concrete results (Strawn, 1998).

Things stand to get more difficult for W-2 participants, current and former, when the current labor crunch subsides. Fluctuations in the labor market have been shown to affect the willingness of employers to hire welfare recipients, as well as their willingness to provide workplace supports, such as child care, transportation assistance, and customized training (Holzer, 1999). Not only will the transition from welfare to work become much harder, but even those who had already made it successfully will likely find themselves on the bubble, since employment generally operates on a "last in, first out" principle. Those who have acquired substantial vocational skills and credentials stand an enormously better chance of riding out an economic downturn.

What the Research Says

Warning: The following paragraph contains more than the recommended number of percent signs. Individuals with a low tolerance for statistics are advised to proceed with caution.

Research has repeatedly shown that the most effective welfare-to-work programs are those with a *flexible*, individualized approach that mixes job search, education, job training, and work in support of a specific employment goal. Combining job search with education

Ponder This!

In Wisconsin, a W-2 time limit will only be extended under extraordinary circumstances that prevent employment, such as caring for a disabled relative.

In Delaware, you can get an extension to finish your last semester of college.

Whose welfare leavers do you suppose will be more self-sufficient a few years down the road?

and training leads to more substantial and longer-lasting increases in both employment and earnings. While it is clear that not all welfare participants are capable of benefiting from postsecondary education, studies have indicated that each year of postsecondary education increases earnings by 6-12%. (Greenberg, Strawn, Plimpton, 1999) One study tracking 20 years of earnings found that women with associate degrees earned about 20% more than other women, even after controlling for differences in who enrolls in college. For a Bachelor's degree, the increase was about 30% (Kane, Rouse). One year of college cuts the poverty rate for African American women heads of households by more than half, from 51% to 21%. For Latinas, the rate drops from 41% to 18.5% (Wolfe, Gittell).

In Wisconsin, however, the flexibility that was theoretically built into the system is too often a mirage. While W-2 agencies and caseworkers enjoy a great deal of discretion over what services to provide any individual, they are generally hamstrung when it comes to education and training. A provision allowing greater *flexibility* in designing the educational component of a W-2 participant's employability plan was written into the state budget - specifically, it allowed participants to self-initiate a technical college program for two years with a work activity requirement not to exceed 25 hours - but the governor vetoed that flexibility right out of the bill, making the full 25 hours of work mandatory, and eliminating participants' ability to "self-initiate" the program.

Aside from its direct affect on family income, it is clear that education helps interrupt the intergenerational transmission of poverty. The college experience of mothers has a profound effect on the educational expectations and aspirations of their children as well. Parents who are educated are able to model reading and studying for their children, and help them with their homework. (American Psychological Association, 1998).

A huge body of research seems to demonstrate that a policy preventing people from attending college is counterproductive. Why, then, does Wisconsin stubbornly maintain its anti-education stance in the face of such abundant evidence of its wrongheadedness?

What Have We Learned Today, Class?

Much of the rhetoric surrounding welfare reform implied a resentment of the "free lunch" that AFCD offered. Some folks found outrageous the idea that people were collecting a check while hanging around campus reading Rilke. In reality, however, hardly anybody was using welfare as a dodge to support a college slacker lifestyle. Most people seek postsecondary education to become qualified for a better job. And much of the time, it works. If investing in the education of unemployed and underemployed parents truly enhances their ability to become self-sufficient, it only makes sense to develop a system that supports the option to "hit the books," not one that tells hardworking parent/students to "hit the road" just because they are poor.

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WISCONSIN COUNCIL ON CHILDREN AND FAMILIES
16 N. Carroll, Suite 600 Madison, WI 53703 (608) 284-0580 FAX: (608) 284-0583 www.wccf.org